

MSPO CERTIFICATION SUMMARY REPORT

SRI KULI SDN. BHD.

STAGE 2 – CERTIFICATION AUDIT

Date: 18/12/2019 - 19/12/2019

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri ½, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Sri Kuli Sdn. Bhd.
Certifying Unit: Sri Kuli Sdn. Bhd.
Client Number: 92-145
Audit Type: Stage 2 - Certification Audit



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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PPE	Personal Protective Equipment
RSPO	Roundtable Sustainable Palm Oil
RTE	Rare, Threatened and Endangered Species
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet
SKSB	Sri Kuli Sdn. Bhd.
EMP	Environment Management Plan
WMP	Waste Management Plan
LCC	Low Cover Crop
CIP	Continual Improvement Plan
CL	Country Lease
HIRARC	Hazard Identification, Risk Assessment & Risk Control
DOSH	Department of Occupational, Safety & Health
ERP	Emergency Response Plan
JCC	Joint Consultative Committee

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1. INTRODUCTION

Sri Kuli Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

1.1. Objective

The objective of this certification audit is to assess the one estate by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the estate.

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and one team member. The audit team members contributed to the review of documents, the assessment of the project activity and to the preparation of this report.

Lead Auditor in Training: Mohd Nur Amin Bin Mohd Halim

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following <ol style="list-style-type: none">1. Agriculture;2. Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,);3. Engineering, Process Technology;4. Energy Management, Quality Management;	Graduate in Office Management & Technology.

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Requirement	Qualifications
5. Social Sciences and/or Anthropology; 6. Business Management; or 7. Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	6 years 10 months of working experience in both upstream & downstream division on managing sustainability of oil palm industry.
Successfully completed MS 2530 series of standards training	Successfully completed the training on MS2530:2013 P&C training
Conducted at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified as auditor for MSPO scheme.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Able to communicate in Bahasa Malaysia and English.
Field working experience in the palm oil sector, or demonstrable equivalent	6 years 10 months of working experience in managing sustainability for oil palm industry for both upstream and downstream division.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years 10 months of working experience in managing sustainability for oil palm industry for both upstream and downstream division.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS ISO 9001, 14001, 45001 LA course training attended. Qualified as auditor for MSPO scheme

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Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following 1. Agriculture; 2. Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); 3. Engineering, Process Technology; 4. Energy Management, Quality Management; 5. Social Sciences and/or Anthropology; 6. Business Management; or 7. Other relevant related fields	Muhammad Khairul Anuar bin Azizul Hasan	Graduate in Applied Science (Major in Plantation Industry and management)	Yes
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Successfully completed MS 2530 series of standards training	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed MS2530: 2013 LA Course.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Muhammad Khairul Anuar bin Azizul Hasan	Qualified as auditor base on audit log.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Muhammad Khairul Anuar bin Azizul Hasan	Able to communicate in Bahasa Malaysia and English.	Yes

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Requirement	Assessor	Qualification	Compliance
Field working experience in the palm oil sector, or demonstrable equivalent	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantation.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anuar bin Azizul Hasan	7 years working experience in oil palm plantation.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed SA 8000 Basic training and Auditor MSPO and Auditor in training for RSPO scheme.	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Muhammad Khairul Anuar bin Azizul Hasan	Successfully completed IMS 9001, 14001 and 45001 LA course, Auditor for MSPO and Auditor in training for RSPO scheme.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

The certification audit conducted in two stages in accordance to the certification procedure.

Stage 1 audit:

Stage 1 audit conducted on 25/10/2019 that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records
 - Applicable Legislation Documents
- Interviews of relevant operation personnel

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- Assessment reporting

Stage II Certification Audit:

Stage II certification audit conducted on 18/12/2019 to 19/12/2019 covers the following activities but not limited to below:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

For list of all reviewed documents refer to chapter 7, Table 7-1.

On-site Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For this stage II certification audit, Sri Kuli Sdn Bhd has one estate. Therefore, no selection required.

Table 2-1: List of Estate Selected

Name of Estate	Coordinates
Sri Kuli Sdn Bhd	N 5° 71' 46.18" E 117° 24' 86.79"

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days

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from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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3. ORGANISATION INFORMATION

Sri Kuli Sdn Bhd is an oil palm plantation company located at 1st Floor, Lot 6, Utama Zone 3 Commercial IJM, North Road, 90000 Sandakan, Sabah.

The details of the estate as below:

Name of Estate	Location	Coordinates
Sri Kuli Sdn. Bhd.	Mukim Bidu Bidu, Labuk / Sugut 90000 Beluran, Sandakan, Sabah.	N 5°42' 52.6"; E 117° 14' 55.2"

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (Jan 2020 to Dec 2020)
	Total*	Planted**	
Sri Kuli Sdn. Bhd.	199.04	183.41	1,600.00
Total	199.04	183.41	1,600.00

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

3.2. Planting Program for Each Estate

Year / estate	Sri Kuli Sdn. Bhd.
1997	183.41
Total Mature	183.41
Total	183.41

3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each estate	Total area to be replanted (ha)
	Sri Kuli Sdn. Bhd.	
2020	60.53	60.53
2021	57.83	57.32
2023	65.05	65.05
TOTAL	183.41	183.41

3.4. Maps of Company Location and Plantations

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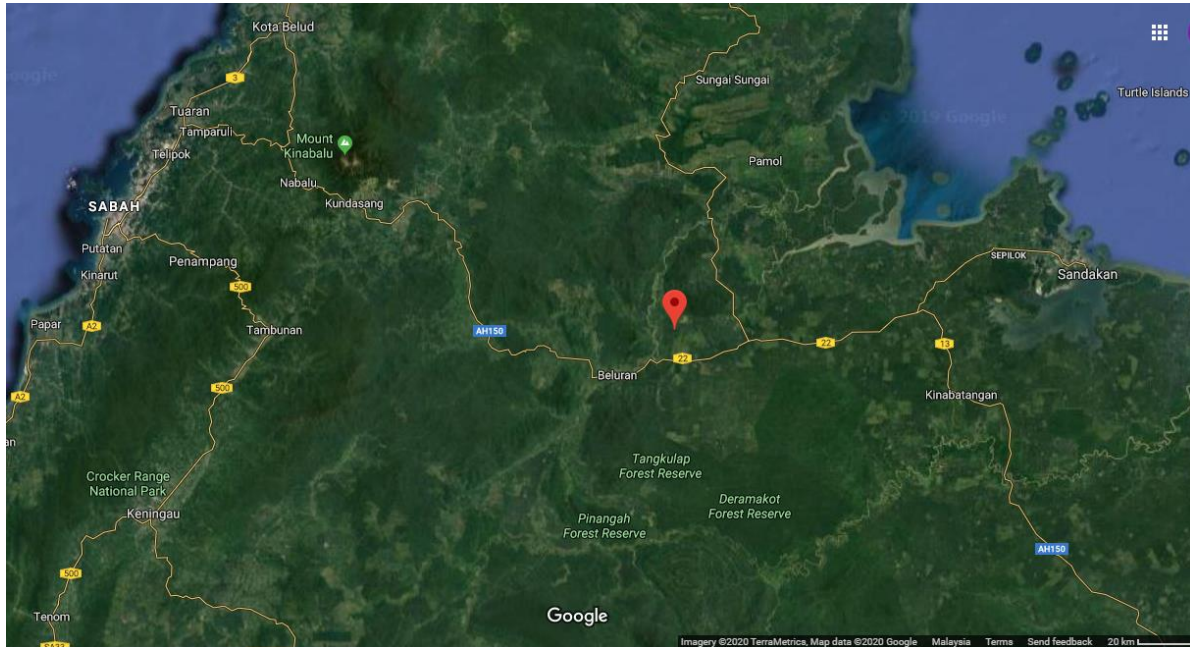


Figure 1

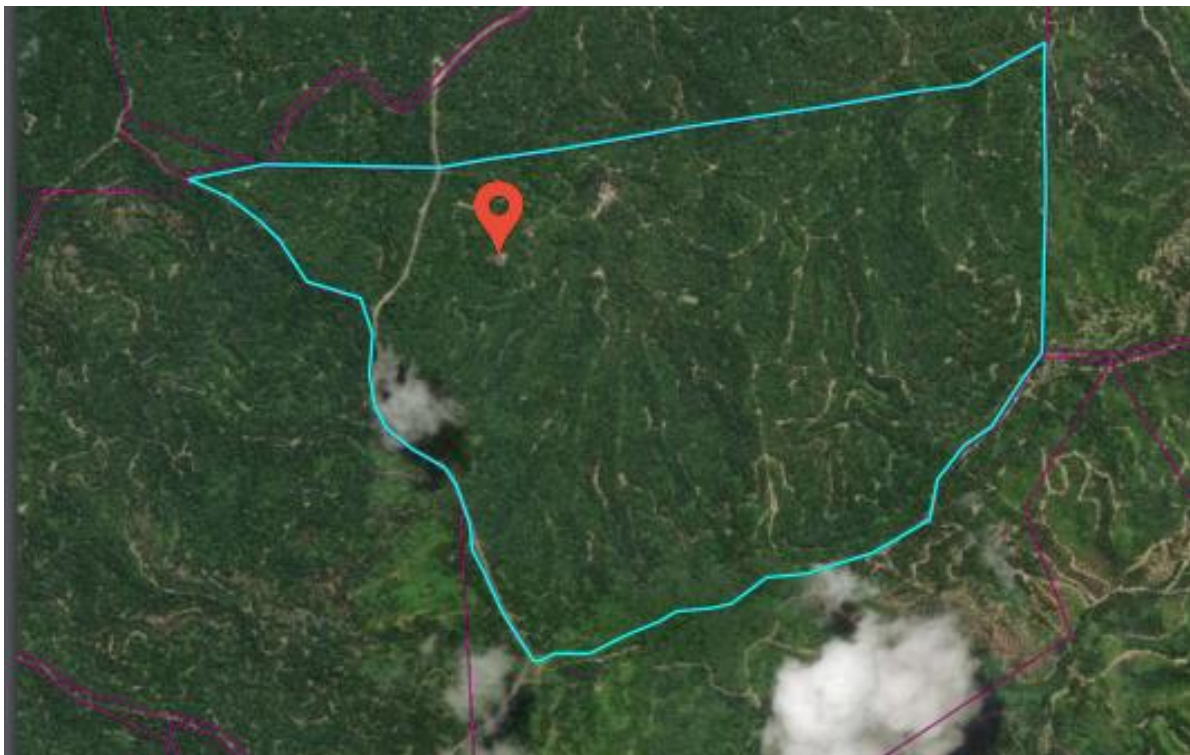


Figure 2

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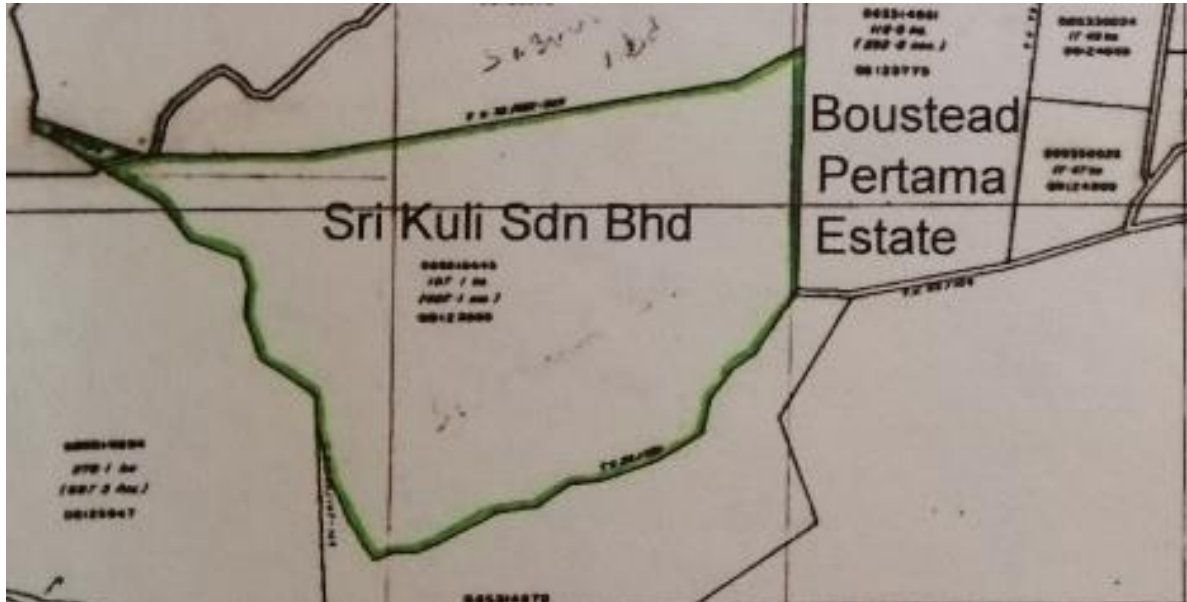


Figure 3

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4. CERTIFICATION ASSESSMENT

4.1. Stage 2: Certification Audit

The objective of the audit is to assess the activities of the estate is in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

4.1.1. Stage 1 Audit:

The objective of the stage 1 is to assess the readiness of the documentation established and implemented in accordance to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

According to the Certification Scheme, an initial due-diligence audit for operators which are entering into the MSPO system, and which

- Do not have any certification or
- Those having management system certification e.g. ISO, COP.

This organization shall undergo both Stage I and II audit

Sri Kuli Sdn Bhd do not has any certification, therefore, has to undergo Stage I audit.

The audit team has apply the Malaysian Sustainable Palm Oil Part 3: General principles for oil palm plantations and organised smallholders audit guidance to assess the established documents against the Principles and Criteria of the standard

The Stage I audit is conducted on 18/10/2019 at estate office in 1st Floor, Lot 6, Utama Zone 3 Commercial IJM, North Road, 90000 Sandakan, Sabah covering the following activities:

- Review of documentation for compliance to relevant P & C requirements for plantation and mill;
- Reporting of findings found during Stage I audit;

4.1.2. Stage II Certification Audit:

The Stage II certification audit conducted on 18/12/2019 to 19/12/2019 covering one estate.

During the Stage 2 certification audit, there is 1 Major, no Minor, 6 Opportunities for Improvement (OFI) are raised. The Major non-conformance raise during the audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

4.2. Stakeholders' Consultation

TUV NORD (Malaysia) Sdn. Bhd, has published the public notification on 11/11/2019 as to accommodate stakeholder's consultation meeting for Sri Kuli Sdn Bhd to provide comments. As at audit date on 18/12/2019 and 19/12/2019 there are no comments received.

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Invitation letters are sent on 14/11/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 18/12/2019 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.
2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
The stakeholder invited to attend the meeting through invitation letter.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
The stakeholder aware on complaint procedure and form available at the office to lodge any complaints or suggestions.
3. Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.
No local communities attended the consultation meeting, but Sri Kuli Sdn. Bhd., employed local workers to work in the estate.
4. Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information
No contractor engage to provide maintenance and services to Sri Kuli Sdn. Bhd.

There no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholder confirm of MSPO Audit attended during the audit day via invitation letter received.	No further action required
2	Social issues	No major social concerns raise	No further action required

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
3	Type of land title – Country Leased, Provisional Leased, Native title	There is no land title issues. Stakeholder informed Sri Kuli Sdn Bhd has been operating in current locations for more than 10 years	No further action required
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	With MSPO certification, Sri Kuli Sdn Bhd will further contribute to have a sustainable economy.	Good comment
5	Does MSPO largely benefits the local community?	No local community attended therefore no inputs.	No further action required
6	Environmental understanding	MSPO certification will bring improvement to have a better environmental management company and better understanding by stakeholders and workers.	Good comment
7	Awareness towards species, habitats, and high conservation values	Stakeholder is aware the type of wildlife and conservation.	Good awareness
8	Are there any plantation management practices that affect you?	Stakeholder is not local communities therefore unable to comment. However, the stakeholder confirmed Sri Kuli Sdn Bhd practices would be good for the workers.	No further action required
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholder confirmed there is no conflict in MSPO certification by Sri Kuli Sdn Bhd management team.	Good comment
10	Do you have any suggestions for management?	Stakeholder suggest that Sri Kuli Sdn Bhd may maintain and continue with current inter-company relationship on working purpose.	Good comment

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>SKSB establish MSPO policy dated 01/09/2019 signed by Managing Director and publicly display at estate office</p> <p>The policy describe:</p> <ol style="list-style-type: none">1. Management commitment and responsibility.2. Transparency3. Compliance to legal requirement4. Social responsibility, health safety and employment conditions5. Environmental, natural resources, biodiversity and ecosystem services6. Best practice7. Development of new planting. <p>SKSB conduct training on MSPO policy dated 01/10/2019 to workers and briefing to external stakeholders on 21/10/2019.</p>	Yes
4.1.1.2	<p>SKSB policy describe commitment for continual improvement practice by harnessing its resources of people, processes and technology to ensure the continuous production of fresh fruits bunches in a sustainable manner.</p>	Yes
4.1.2.1	<p>SKSB establish Internal Audit Procedure doc no SK – 4.1.2.1 dated 27/08/2019.</p> <p>The procedure describe the frequency for internal audit conducted once a year.</p> <p>Internal audit conducted on 02/12/2019.</p>	Yes
4.1.2.2	<p>SKSB establish Internal Audit Procedure doc no SK – 4.1.2.1 dated 27/08/2019.</p> <p>Internal audit conduct by using internal audit checklist.</p> <p>Internal audit address the weakness of implementation in the estate that resulted with non-conformities.</p> <p>Major NC1</p>	Major NC 1

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	Nonconformities not properly address root cause and corrective action together with closure of the nonconformities in the findings.	
4.1.2.3	SKSB conduct 2 nd management review meeting to discuss the results on internal audit result dated on 03/12/2019.	Yes
4.1.3.1	SKSB conduct 2 management review meetings dated 27/08/2019 and 03/12/2019. Minutes of meetings describe the topics discuss before and after internal audit of site audit and documentation audit.	Yes
4.1.4.1	SKSB establish Continuous Improvement Plan (CIP) dated 21/10/2019. The CIP describe on consideration of pesticide, environmental, waste reduction, pollution and emissions, social, health/safety, legal requirement and general issues. Example: 1. Social: Water and electricity provided free. 2. Environment: Protection and preservation of buffer zones in replanting areas. 3. Safety and health: Commence regular safety audits to confirm checking of items such as the use of PPE, identification, availability of firefighting equipment, isolation of hazards etc. 4. Pollution and emission: Continuously monitoring of efficiency used fossil fuel emission as liter / ton FFB. The CIP table describe on improvement action, expected outcome, timeframe, review and monitor, location, responsibility and status at review date.	Yes
4.1.4.2	SKSB establish Procedure and Flowchart for New Technology, Information and Techniques doc no. SK-4.4.1.4.3 dated 29/10/2019. The procedure and flowchart describe process of continual improvement implementation of new technology:- 1. Identification 2. Implementation and control No new techniques or new technology used currently at SKSB.	Yes
4.1.4.3	SKSB establish Procedure and Flowchart for New Technology, Information and Techniques doc no. SK-4.4.1.4.3, dated 29/10/2019. The procedure and flowchart describe the process of implementation of new technology with cost analysis, target group, relevant equipment, costing, economical viable, training guideline,	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>SKSB establish the list of stakeholders dated 30/09/2019.</p> <p>The list includes government agencies, NGOs, local communities, neighboring estates, palm oil mills and suppliers.</p> <p>Stakeholder meeting for all stakeholders conducted on 21/10/2019..</p> <p>The stakeholders meeting discuss MSPO awareness, company policies and complaint procedure. During the meeting stakeholders response with positive feedback.</p>	Yes
4.2.1.2	<p>SKSB establish List of Transparency and Information Documents, doc no.: SK – 4.2.1 dated 27/08/2019.</p> <p>The list describe:</p> <ol style="list-style-type: none"> 1. Public documents: e.g. MPOB license, company policies, SOPs & complaint / grievance form 2. Confidential documents: Land title, financial report, bank statement & company budget <p>The list communicate with stakeholders during stakeholder meeting on 21/10/2019.</p>	Yes
4.2.2.1	<p>SKSB establish Consultation and Communication Flowchart, doc no SK – 4.2.2 dated 27/08/2019.</p> <p>The flowchart describe process of complaints / grievances from employee and other stakeholders to SKSB with response timeline within 14 days.</p> <p>Interviewed stakeholder inform the procedure is brief during stakeholders meeting on 21/10/2019.</p>	Yes
4.2.2.2	<p>SKSB appoint the Sustainability Officer as person in-charge to handle consultation and communication is inform during stakeholders meeting on 21/10/2019.</p> <p>The person in-charge brief on consultation and communication procedure during stakeholder meeting on 21/08/2019.</p>	Yes
4.2.2.3	<p>SKSB establish List of Stakeholders dated 30/09/2019 consists of neighbouring estates, government authorities, mills, dealers, communities, supplier etc.</p> <p>SKSB conduct external stakeholders meeting on 21/10/2019 and internal stakeholders meeting on 01/10/2019</p> <p>There are no request of information as at audit date.</p>	Yes
4.2.3.1	<p>SKSB establish Flowchart for Traceability, doc no: SK – 4.2.3 dated 27/08/2019.</p> <p>The flowchart describe the actions and responsibilities of managing the delivery and recording of outgoing FFBs to meet the sustainability requirement.</p> <p>Relevant documents/records within the traceability system:</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<ol style="list-style-type: none"> 1. Loading chit 2. Delivery note to Mill 3. FFB delivery book 	
4.2.3.2	<p>SKSB conduct internal audit on 02/12/2019 include traceability system. No findings raised.</p> <p>SKSB monitor the traceability system on monthly basis.</p> <p>Last inspection for SKSB is on November record dated on 02/12/2019.</p>	Yes
4.2.3.3	SKSB appoint estate manager as person in-charge to maintain the traceability system records dated 27/08/2019.	Yes
4.2.3.4	<p>SKSB maintain records of sales and delivery of FFBs on monthly basis. The records keep for a period of 7 years.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Loading Chit books 2. FFB delivery notes 3. Mill weighbridge tickets <p>Review on the records such as estate loading chit books, FFB delivery books to mill weighbridge tickets are available. Unique identification number is the deliver notes stated in mill weighbridge tickets.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>SKSB established of list of licenses and permits dated 24/10/2019</p> <p>Example: MPOB license: 502731702000 valid from 01/10/2019 until 30/09/2020.</p>	Yes
4.3.1.2	<p>SKSB establish List of Related Laws, Regulations and Guidelines dated 27/09/2019.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Minimum Wages Order 2018 2. Malaysia Palm Oil Board Act 1998 	Yes
4.3.1.3	SKSB establish legal register on 27/09/2019, therefore no update as at audit date.	Yes
4.3.1.4	SKSB appoint Finance & Admin Officer as person in-charge for legal documents, permits and licenses dated 27/08/2019.	Yes
4.3.2.1	<p>SKSB land title is Country Lease issued by the Sabah Land Authority.</p> <p>No diminish of land usage.</p> <p>Land usage is for cultivation of an agricultural crop of economic value.</p>	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.2.2	SKSB is the legal owner of the land issued by Sabah Land Authority.. The tenure of the land is 99 years lease.	Yes
4.3.2.3	SKSB land titles maps are review. The maps stated the size in acres and hectares. The boundary markers are available in the land title map. Site visit observe boundary makers well maintain with used tires, wooden stick and boundary stone painted with red and white.	Yes
4.3.2.4	SKSB land titles are country lease issued by Sabah Land Authority. No disputes found during document review.	Yes
4.3.3.1	SKSB land titles are country lease issued by Sabah Land Authority.	Yes
4.3.3.2	SKSB land titles are country lease issued by Sabah Land Authority. SKSB established a land survey with scale 1: 2,500.	Yes
4.3.3.3	No records since the land is country leased.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	SKSB establish SIA report dated 21/10/2019. Table in the SIA report describe the positive impacts, promoting measures, negative impacts, promoting measure, negative impacts and mitigation measures. Example the identify positive impact are address in SIA report: 1. Social implication: Providing job opportunities to nearby communities 2. Monitoring Plan: Continue in hiring locals in nearby communities 3. Person in-charge: Estate Manager 4. Date of resolved: 21/10/2019 5. Progress status: On going The table of assessment and action plan establish includes issue, impacts, positive/negative, monitoring plan, PIC, timeline, status.	Yes
4.4.2.1	SKSB establish Flowchart for Complaint and Grievances, doc no. SK-4.4.2 dated 27/08/2019. The flowchart describe the platform to settlement of any complaint or grievances lodge by external and internal stakeholders. The flowchart is publicly display at estate office's notice board.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment	Compliance	
	Estate manager be appoint as person in-charge to handle matters related to complaints and grievances. Organisation chart available state the responsibilities of estate manager.		
4.4.2.2	<p>According to flowchart, the timeline to solve the complaints and grievance is within 50 days.</p> <p>The flowchart describe case should be resolve by estate manager within 10 days after complaint lodged and report to Sustainability Office. If the case cannot be solve by Estate Manager, Sustainability Officer will make appeal to Director and resolve within 10 days. If the complaint still cannot resolve, the director will investigate to resolve within 30 days .</p>	Yes	
4.4.2.3	The complaint and grievances form available and located at estate office.	Yes	
4.4.2.4	<p>SKSB conduct external stakeholders meeting on 21/10/2019 and internal stakeholders meeting on 01/10/2019 and complaint and grievance procedure is briefed.</p> <p>Interview with stakeholders and workers understand the complaint flowchart</p>	Yes	
4.4.2.5	The complaint form review with no complaint lodge by internal and external stakeholders since October 2019.	Yes	
4.4.3.1	<p>SKSB contribute to local development by providing work opportunity to the local people.</p> <p>Example: 5 local workers employed by SKSB as general workers and estate driver.</p>	Yes	
4.4.4.1	<p>SKSB establish OSH Policy dated 01/09/2019 signed by Managing Director.</p> <p>The policy display at the estate notice board and available in both Bahasa Malaysia and English.</p> <p>SKSB conduct OSH policy training on 19/10/2019 to the workers and on 21/10/2019 to the external stakeholders.</p>	Yes	
4.4.4.2	a	<p>SKSB establish OSH Policy dated 01/09/2019.</p> <p>SKSB conduct OSH policy training on 19/10/2019 to the workers and on 21/10/2019 to the external stakeholders.</p>	Yes
	b	<p>SKSB establish list and SOP of safety work for harvesting, manuring, planting, slashing, loose fruit, genset, chemical handling, frond stack and chemical mixing.</p> <p>SKSB establish HIRARC for all respective operation activities dated 20/09/2019.</p> <p>The HIRARC table describe of activity, hazard, risk and effects, risk assessment, existing control, PIC, risk assessment after control and date review.</p> <p>Example:</p> <p>Activity: Cutting and stacking of fronds.</p>	

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Hazard: Cut or prick by frond thorn</p> <p>Risk and effects: Scratch, bruise or injuries to hand, fingers and foot.</p> <p>Risk assessment (risk rating): 12</p> <p>Existing control: Training and briefing given to the workers</p> <p>PIC: Manager / mandore</p> <p>Risk assessment after control: Moderate</p> <p>Date of review: Yearly</p>	
c i	<p>SKSB establish Training Plan 2019.</p> <p>SKSB conduct training as per training plan. Training records are review, the training includes:</p> <p>Training of safety and PPE conducted to the workers on 19/10/2019.</p>	
c ii	<p>SDS is available at estate office, lubricant store, chemical store and fertilizer store.</p> <p>Site visit at stores confirmed the fertilizer placed on wooded pallet, powder chemical placed above liquid.</p> <p>Chemicals, fertilizers and lubricants are stored accordingly with sufficient ventilation.</p> <p>Original labels are available and readable on every packaging for chemicals, fertilizers and lubricant in the stores.</p>	
d	<p>SKSB maintain PPE issuance record.</p> <p>Example: Sprayers</p> <p>Type of PPE: Aprons, latex gloves, N95 respirators and boots</p> <p>SKSB monitor the PPE usage from risk assessment as per HIRARC establish 20/09/2019 and CHRA report dated 31/10/2019 to all hazardous operations.</p> <p>Site visit observe chemical sprayer provided with appropriate PPEs.</p>	
e	<p>SKSB establish Procedure for Chemical Spraying doc no. 4.6.1.1 dated 27/09/2019.</p> <p>SKSB established Procedure for Chemical Storage doc no.: 4.6.1.10 dated 27/09/2019.</p> <p>The procedure describe the safe handling on chemical during spraying and storing.</p> <p>Site visit observe the availability of SDSs in fertilizer store and chemical store.</p> <p>CHRA conduct dated 06/11/2019 with validity of 5 years.</p>	

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Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment		Compliance
	f	SKSB appoint Estate Manager as person in-charge for safety and health dated 27/08/2019.	
	g	SKSB total number of workers are 18 workers. Therefore, below the minimum requirement to have an OSH Committee in accordance to DOSH requirement. Therefore, no quarterly meeting require. SKSB conduct OSH meeting with workers dated 02/12/2019.	
	h	SKSB establish accident and emergency flowchart or ERP 27/08/2019 The ERP plan includes the person in-charge, contact number and instruction while emergency occur are. The ERP plan is display at the estate office. Fire drills training conducted on 02/12/2019 and to stakeholders on 21/10/2019. During site interview, workers aware and understand on emergency plan.	
	i	SKSB conduct First Aid Training dated 08/10/2019 to Estate Manager. ERP organization chart reviewed, estate manager and a worker assigned as first aider.	
	j	SKSB establish accident logbook to monitor injuries report by workers. There are no accident report in year 2019. SKSB register with DOSH for reporting annual accident dated 19/11/2019.	
4.4.5.1	SKSB establish Social Policy dated 01/09/2019 signed by Managing Director. Workers and staff briefed during internal stakeholder meeting on 01/10/2019. External stakeholders briefed during stakeholder meeting on 21/10/2019.		Yes
4.4.5.2	SKSB establish Social Policy dated 01/09/2019 signed by Managing Director. The policy describe SKSB not engage discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.'		Yes
4.4.5.3	SKSB establish working contract agreement for all workers in accordance to Sabah Labour Ordinance. The working contract agreement describe the pay rate of RM5.30 per hour in accordance to Minimum Wage Order 2018.		Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	The wages structure for workers agree with working contract agreement signed by both workers and management.	
4.4.5.4	SKSB does not engage any of the contractors for field operations, all jobs are perform internally. Thus, not applicable.	Yes
4.4.5.5	SKSB establish list of workers that contain name, gender, date of birth, place of birth, nationality, age, identification number, passport number, passport issuance date, expiry passport, working pass, date of join and job designation dated 30/11/2019. Document review all workers are permanent employed.	Yes
4.4.5.6	SKSB establish working contract agreement for all workers employed. The contract states minimum wages, overtime rates, annual leave, working hours, medical leave, EPF for local workers, SOCSO for local and foreign workers and signed by worker and management Site interview workers aware and agree on the working contract agreement before signed.	Yes
4.4.5.7	SKSB establish 'Masa Kerja (Staff / Pekerja)' and display on notice board at estate office. SKSB use the check roll record system to monitor the workers attendance. Working hours describe in working contract agreement. No overtime recorded in the checkroll. Therefore, no overtime paid. Site interview workers are aware on working hours.	Yes
4.4.5.8	SKSB establish working hours starting from 7.00 am until 5.00 pm. While their rest time starting from 11.00 am until 1.00 pm . Working hours publicly available on notice board at estate office	Yes
4.4.5.9	Wages information document in pay slips based on input from the check roll. SKSB does not practice overtime. Site interview, workers understood the information on their wages in pay slips.	Yes
4.4.5.10	SKSB provide benefits to both local and foreign workers. For example : 1. Medical bill. 2. Transportation to clinic. 3. Free electricity and water. 4. Housing	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.11	SKSB provide workers with labour quarters as basic facilities as industry best practices. Site visit observe SKSB provide basic amenities provide water, electric supply and gardening area.	Yes
4.4.5.12	SKSB establish Social Policy dated 01/09/2019 signed by Managing Director. The policy is publicly display available on notice board at estate office available in English and Bahasa Malaysia. During document review, no complaint on sexual harassment at workplace lodged by workers.	Yes
4.4.5.13	SKSB establish Code of Conduct & Human Right Policy dated 01/09/2019 signed by Managing Director. The policy describe SKSB respect the right of freedom of association. No union formed by the workers. SKSB conduct internal stakeholder meeting on 01/10/2019 to discuss social issues between workers and management.	Yes
4.4.5.14	SKSB establish Social and Human Right Policy dated 01/09/2019 signed by Managing Director. The policy describe SKSB to ensure that no child or young person shall be, or be required or permitted to be engaged in any employment other than those allowed by the laws. Employee list state all employees workers above 18 years.	Yes
4.4.6.1	SKSB establish Training Need and Program doc no.: SK-4.6.1 dated 24/09/2019. The document describe health, safety and environment training to all workers for year 2019. The training for policy, MSPO awareness establish for all workers. SKSB conduct training with available records: 1. SOP for Spraying conduct dated 01/10/2019 2. SOP ng for Harvesting conduct dated 01/10/2019	Yes
4.4.6.2	SKSB establish training need analysis and training matrix for mandore and workers. SKSB identify required training based on individual training matrix for job designation. Example of training matrix, allocation for all related trainings such as safety and health, environment, PPE and SOP training for job designation to all workers.	Yes
4.4.6.3	SKSB establish Training Need and Program as continuous training program for year 2019 and 2020.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	The training program plan describe competency briefing / training activities for all workers in SKSB for 2 years.	

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>SKSB establish Environmental Policy dated 01/09/2019 signed by Managing Director.</p> <p>The policy describe SKSB committed to minimize the environmental impact of its operations and understand the importance of conserving natural resources. We shall strive to promote environmental improvements whenever practical that will ensure a sustainable future.</p> <p>SKSB establish Environmental Management Plan or EMP dated 27/09/2019.</p> <p>The EMP describe activity, environment aspect on positive and negative impact, action plan, and monitoring on continuous improvement program and timeline and person in-charge.</p> <p>SKSB conduct Environmental Policy Training to the workers dated 02/12/2019.</p> <p>The Environmental Policy is publicly display on notice board at estate office.</p>	Yes
4.5.1.2	<p>a SKSB establish the Environmental Policy dated 01/09/2019 signed by Managing Director.</p> <p>The policy describe the following objectives:</p> <ol style="list-style-type: none"> 1. To ensure a continuous awareness of the need to check and monitor key environmental components for SKSB and take appropriate remedial measures to avoid environmental degradation. 2. To protect the environmental of SKSB from neglecting, mismanagement and irresponsible activities in palm oil estate operations 3. To ensure conformation to all activities are within the laws/acts and legislation of state and nation. 	Yes
	<p>b SKSB establish EMP dated 27/09/2019.</p> <p>The EMP describe environmental aspects and impacts analysis of all operations.</p> <p>Operation cover farm tractor, chemical spraying, manuring, washing tractor, empty fertilizer bag, empty chemical container, fronds stacking, FFB bunches and loose fruit and chemical mixing.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Activity: Chemical spraying 	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	2. Aspect: Chemical residue washed into water 3. Impact: Water pollution 4. Control measure: No spraying at buffer zone and during raining. 5. Action plan: Training provided. Site inspection of chemical store, fertilizer store, lubricant store, workshop and landfill found no environmental issues.	
4.5.1.3	SKSB establish EMP dated 27/09/2019. The EMP describe mitigation of negative environmental impact and promoted to positive. Example: Empty fertilizer bag Negative impact: Waste pollution when improper disposal Action plan and monitoring: Triple rinsed before stored. Positive impact: Re-used for loose fruit collection Continuous improvement plan: Annual training and monthly briefing during muster call.	Yes
4.5.1.4	SKSB establish EMP dated 27/09/2019 with CIP included to promote positive impacts. Example: 1. Improvement action: Protection and preservation of buffer zone. 2. Expected outcome: All water sources through the plantation areas have buffer zone and to be maintain. 3. Timeframe: On going 4. Review and monitor: Buffer zones and continuously monitoring.	Yes
4.5.1.5	SKSB established training plan 2019 and include environmental training twice a year. Training on environmental policy and EMP conduct on 02/12/2019.	Yes
4.5.1.6	SKBS conduct environmental meeting twice a year. The lasting meeting conducted on 02/12/2019 discuss on keep housing of surrounding area, 'gotong royong' to be carried out, recycling programme, segregation of wastes, no open burning, no hunting of wildlife and RTE species.	Yes
4.5.2.1	SKSB establish baseline value for 3 years on diesel consumption for 2016, 2017 and 2018. The baseline value established is a guideline to monitor usage of actual diesel consumption on current year 2019. The diesel usage is high in 2019 when compare to the average baseline value for year 2016 to 2018 due to low crop production.	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services														
Indicator	Summary of Assessment	Compliance												
	<p>SKSB establish action plan to reduce consumption of non-renewable energy usage.</p> <p>The action plan describe:</p> <ol style="list-style-type: none"> To install solar panel Regular maintenance for genset, machinery and vehicles To rewiring all power socket in workshop and housing. 													
4.5.2.2	<p>SKSB establish Non-renewable Energy Budget from 2019 until 2020.</p> <p>The budget includes year, FFB projection and diesel projection.</p> <p>SKSB establish records of actual diesel consumption on monthly basis for monitoring and compare actual consumption against baseline value.</p>	Yes												
4.5.2.3	<p>SKSB installed solar panel as renewable energy at housing to reduce diesel usage.</p>	Yes												
4.5.3.1	<p>SKSB established Waste management plan dated 27/09/2019</p> <p>There are 3 type of wastes generated from SKSB.</p> <ol style="list-style-type: none"> Solid Liquid Gaseous <p>WMP table list category of waste types wasted and source.</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Category</th><th>Type of Waste</th><th>Source</th></tr> </thead> <tbody> <tr> <td>Solid</td><td>Fertilizer bag</td><td>Field</td></tr> <tr> <td>Liquid</td><td>Used engine oil</td><td>Workshop</td></tr> <tr> <td>Gaseous</td><td>Smoke</td><td>Tractor / lorry</td></tr> </tbody> </table> <p>1.</p>	Category	Type of Waste	Source	Solid	Fertilizer bag	Field	Liquid	Used engine oil	Workshop	Gaseous	Smoke	Tractor / lorry	Yes
Category	Type of Waste	Source												
Solid	Fertilizer bag	Field												
Liquid	Used engine oil	Workshop												
Gaseous	Smoke	Tractor / lorry												
4.5.3.2	<p>a SKSB establish WMP dated 27/09/2019.</p> <p>The plan describe the sources and monitoring of waste and pollution.</p> <p>Example:</p> <p>Source: Pesticide store (pre-mixing area)</p> <p>Impact: Spillage of chemical</p> <p>Monitoring plan: Checking the spillage trap in case of leakage and construct of banding.</p>	Yes												
	<p>b SKSB establish WMP dated 27/09/2019.</p> <p>Example:</p> <p>Waste identification: Pruned fronds</p>													

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Source: Plantation</p> <p>Disposal method: Frond stacking.</p> <p>This activity to improve soil structure and as organic fertilizer.</p> <p>Site visit observation pruned fronds disposed as organic fertilizer and empty fertilizer bags re-used for loose fruit collection.</p>	
4.5.3.3	<p>SKSB established SOP of handling scheduled waste for proper and safe handling, storage and disposal.</p> <p>The scheduled waste should be manage and disposed by DOE authorized collector.</p> <p>The scheduled wastes generated from estate operations are identified in the Waste Management Plan.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Used engine oil 2. Empty fertilizer bags 3. Empty pesticide containers <p>The scheduled wastes identified to dispose with quantities not more than 20mt and storage not more than 180 days.</p>	Yes
4.5.3.4	<p>SKSB establish Pictorial SOP for Handling Triple Rising of Empty Chemical Containers dated 27/09/2019.</p> <p>Site visit at pre-mixing area observe rinsed water trapped into sump and reused for chemical spraying.</p> <p>Empty chemical containers observe be placed besides the chemical store and mark 'X' painted with red colour.</p> <p>Record of empty pesticide containers available.</p> <p>Empty chemical containers reused for spraying activity.</p>	Yes
4.5.3.5	<p>SKSB establish WMP dated 27/09/2019.</p> <p>WMP describe the domestic waste is disposed at the landfill area.</p> <p>SKSB landfill area as state in estate map and located away from stream flow in through estate.</p> <p>Site visit at landfill area, observe that domestic wastes disposed accordingly.</p>	Yes
4.5.4.1	<p>SKSB establish WMP dated 27/09/2019.</p> <p>The WMP describe type of wastes generated such gases, solid and liquid.</p> <p>Example: Identification on the waste</p> <ol style="list-style-type: none"> 1. Type of waste: Solid 2. Waste generated: Fertilizer bag 	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Treatment of waste: Wash fertilizer bag and re-used for loose fruit collection.	
4.5.4.2	<p>SKSB establish WMP dated 27/09/2019.</p> <p>The plan describe action plan to reduce the significant pollutant and emission.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Waste: Empty chemical container 2. Reduce plan: Triple rinsing, monitor recycling and disposal method <p>Implementation: Records of empty container maintained</p> <p>SKSB maintain Maintenance Records for vehicles and genset from 2018 until 2019.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Lorry: Maintenance for service 3 times a year. 	Yes
4.5.5.1	<p>a SKSB establish Water Management Plan dated 27/08/2019.</p> <p>The plan describe the sources and usage of water.</p> <p>The water sources from rain and pond.</p> <p>Example:</p> <p>Operation: Estate</p> <p>Source: Pond</p> <p>Usage: Chemical spraying, nursery, washing PPE, triple rinse and vehicle washing.</p>	Yes
	<p>b Site visit in field, observe there is no river or stream flowing through estate.</p> <p>Water discharge from housing area is flowing to the field.</p>	
	<p>c SKSB establish Water Management Plan dated 27/08/2019.</p> <p>The plan describe water consumption monitoring on daily, monthly and yearly for domestic and operation.</p> <p>Example: Water Domestic Usage</p> <p>Daily: 2,550 Liter</p> <p>Monthly: 76,500 Liter</p> <p>Yearly: 918,000 Liter</p> <p>SKSB provide sufficient water tanks to store water to prepare for drought season.</p> <p>Site visit in field a dug pond to store rainwater for estate operation.</p> <p>Pruned fronds are stacked between t palm rows to retain soil moisture.</p>	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
	d	SKSB estate has no river or stream flowing through the estate and confirmed during site visit..	
	e	SKSB estate has no river or stream therefore, no buffer zone within the estate. No restoration required.	
	f	Site visit at quarter's area no bore well construct.	
4.5.5.2	SKSB estate has no streams or rivers. Therefore, not applicable.		Yes
4.5.5.3	SKSB establish Water Management Plan dated 27/08/2019. The plan describe sources of water from rain and pond. Site visit in field, observe a dug pond to store rainwater for estate operation.		Yes
4.5.6.1	a	SKSB establish Biodiversity Assessment Report dated 02/12/2019 to identify wildlife presence within the estate and the surrounding. SKSB maintain a list of wildlife sighted within the estate. SKSB install signage of protected wildlife and display at estate notice board. A monthly monitoring is conducted to ensure no hunting or capturing activities	Yes
	b	SKSB establish Biodiversity Assessment Report dated 02/12/2019. The assessment identify wildlife within the estate by management and workers. Example: Bird: Swiftlet Reptile: Monitor Lizard SKSB conduct awareness training on Biodiversity dated 02/12/2019 to all workers. During interview, workers aware on wildlife spotted cross the estate.	
4.5.6.2	a	SKSB establish Biodiversity Assessment Report dated 02/12/2019. SKSB install signage of protected wildlife in the field and at estate office notice board. The signage display penalty of RM50,000 or 5 years in prison. SKSB conduct awareness training on Biodiversity dated 02/12/2019 to the workers.	Yes
	b	SKSB install signage of protected wildlife and displayed at estate office notice board. The signage display penalty of RM50,000 or 5 years in prison. SKSB conduct awareness training on Biodiversity dated 02/12/2019 to the workers.	
4.5.6.3	SKSB establish Biodiversity Assessment Report dated 02/12/2019.		Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The assessment identify wildlife within the estate by management and workers. Frequency of assessment is once a year.</p> <p>During interview, workers aware on protected wildlife and report to estate management if spotted wildlife crossing the estate.</p>	
4.5.7.1	<p>SKSB establish the Zero Burning Policy dated 01/09/2019 signed by Director.</p> <p>The policy describe SKSB commitment to Zero Burning as per Malaysia Law (A1102 Act / Environment Quality Act 2001) for new planting and replanting activities.</p> <p>As additional, the policy describe there shall be no open burning of any kind except where deemed necessary with prior approval of the relevant authorities. This include domestic waste, agricultural waste and biomass or by products generated by the estate.</p> <p>Site visit in the field, landfill and workers quarters observe with no open burning activities practices.</p> <p>Site visit in the field, no replanting activity carried out for year 2019.</p>	Yes
4.5.7.2	<p>TPSB adopt Field Handbook Vol. 02, as a guideline to treat crop with diseased.</p> <p>During site visit, no serious palm diseases observe that require burning with special approval from the relevant authorities.</p>	Yes
4.5.7.3	<p>SKSB establish the Zero Burning Policy dated 01/09/2019.</p> <p>The policy describe there shall be no open burning of any kind except where deemed necessary with prior approval of relevant authorities.</p> <p>No disease observe in estate that require special approval for burning treatment from relevant authorities.</p>	Yes
4.5.7.4	<p>TPSB adopt Field Handbook for Immature Oil Palm Vol. 02 as a guideline practice for new planting and replanting.</p> <p>Site visit no replanting activity.</p> <p>Review of planting statement replanting in year 2017.</p> <p>During site observed previous palms on felled, chipped and shredded.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>SKSB establish SOPs for estate best practices.</p> <p>Example:</p> <ol style="list-style-type: none"> Langkah-langkah Keselamatan bagi Kerja Menyembur Racun, doc no.: 4.6.1.1 dated 27/09/2019 Langkah-langkah Keselamatan Pengendalian Alat Perlindungan Diri, doc no.: 4.6.1-13 dated 27/09/2019 	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>SKSB conduct training for all workers.</p> <p>Example::</p> <ol style="list-style-type: none"> SOP training for Spraying conducted on 01/10/2019 SOP training for PPE conducted on 01/10/2019 	
4.6.1.2	<p>SKSB adopt Field Handbook Vol. 02 as guide for planting.</p> <p>Page 52 of the handbook:</p> <p>Terrace or platform construct in steeper areas in order to:</p> <ol style="list-style-type: none"> Facilitate effective establishment, maintenance and harvesting of palms. Minimize soil erosion. Reduce rainwater runoff and nutrient losses. Increase water infiltration. Conserve moisture and increase water infiltration. Provide each palm with equal access to light, nutrients and water. <p>Site visit in field, observe the cultivation of cover crops establish along terrace with legume and fronds stacking for soil erosion control.</p>	Yes
4.6.1.3	SKSB establish permanent block markers for each field stating block number, planted year, material planted and field size.	Yes
4.6.2.1	<p>SKSB establish 6 years business management plan for year 2019 to 2024.</p> <p>The business plan includes capital expenditure, building maintenance, infrastructure maintenance, crop development expenditure, revenue, cost of sales and admin expenses.</p>	Yes
4.6.2.2	SKSB establish replanting programme for year 2020 to 2023.	Yes
4.6.2.3	<p>SKSB establish business plan for 6 year from 2020 – 2023.</p> <p>The business plan include</p> <ol style="list-style-type: none"> Crop projection Cost of production Price forecast Capital expenditure 	Yes
4.6.2.4	<p>SKSB establish monthly monitoring on costs and FFB production. The previous month actual performance used to monitor the following month performance.</p> <p>SKSB establish FFB production board to monitor monthly achievement of crop production.</p>	Yes
4.6.3.1	SKSB purchase of products and services using a quotation and purchase order system.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	Document review on quotation for purchasing of fertilizer that state the proposed price with purchasing order issued based on the agreed price with payment term of 60 days and amount paid to the supplier. All purchase products are document and maintain.	
4.6.3.2	SKSB establish records of quotation for terms and conditions agreed by both parties. Document review on quotation for purchasing of fertilizer that state the proposed price with purchasing order issued based on the agreed price with payment term of 60 days and amount paid to the supplier.	Yes
4.6.4.1	SKSB does not engage contractor for field operation including FFB transporter, maintenance work & harvesting. Thus, no contract agreement available for review.	Yes
4.6.4.2	SKSB does not engage contractor for field operation including FFB transporter, maintenance work & harvesting. Thus, no contract agreement available for review.	Yes
4.6.4.3	SKSB does not engage contractor for field operation including FFB transporter, maintenance work & harvesting. Thus, no contract agreement available for review.	Yes
4.6.4.4	SKSB does not engage contractor for field operation including FFB transporter, maintenance work & harvesting. Thus, no contract agreement available for review.	Yes

Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	SKSB planting statement is review and there is no new planting.. The 1 st planting in year 1997. The replanting program will be for 2020 to 2023.	Yes
4.7.1.2	SKSB planting statement is review and there is no new planting. The 1 st in year 1997. There is no new planting or replanting conducted. Therefore, no PMM required.	Yes
4.7.2.1	SKSB planting statement is review and there is no new planting. Site visit in the field, no peat soil within SKSB area.	Yes
4.7.3.1	SKSB planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.2	SKSB planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.3	SKSB planting statement is review and there is no new planting. Therefore, no SEIA conducted.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.3.4	There are no smallholders scheme in SKSB. Therefore, not applicable.	Yes
4.7.4.1	SKSB planting statement is review and there is no new planting. Therefore, no soil map established.	Yes
4.7.4.2	SKSB planting statement is review and there is no new planting. Therefore, no topography map established.	Yes
4.7.5.1	SKSB planting statement is review and there is no new planting. Therefore, no map established and no permit available.	Yes
4.7.5.2	SKSB planting statement is review and there is no new planting. Therefore, no plan established.	Yes
4.7.5.3	SKSB planting statement is review and there is no new planting. Therefore, no soil map established.	Yes
4.7.6.1	SKSB planting statement is review and there is no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	SKSB planting statement is review and there is no new planting. Therefore, no sacred sites and no management plan established.	Yes
4.7.6.3	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no SOP established.	Yes
4.7.6.4	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no compensation and agreement established	Yes
4.7.6.5	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no assessment established	Yes
4.7.6.6	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no system established for calculating the compensation for distribution.	Yes
4.7.6.7	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no compensation plan established.	Yes
4.7.6.8	SKSB planting statement is review and there is no new planting carried out within the estate. Therefore, no communities affected.	Yes

4.4. Status of Non-Conformities Previously Identified

X	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
	Not applicable. No non-conformity raised in previous audit.

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Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.

Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.

4.5. Detail of Audit Findings in last audit

Stage 1 Findings audit corrective action are review during the stage 2 certification audit process.

4.6. Detail of Audit Findings Identified During This Audit

This section gives an overview of the non-conformities raised during this audit.

AUDIT OUTCOME		
During this audit,	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

Non Conformity Number < 1 >						
Indicator # and Description	4.1.2.2 The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action (MAJOR)					
Location:	Sri Kuli Sdn Bhd					
Description of Finding / Objective Evidence:						
Internal audit document review found no evidence of Non-compliance (NC) report is available to identify the root causes of nonconformities, correction, preventive action plan and closure of the findings.						
Classification	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> Minor			
Raise by:	Mohd Nur Amin Bin Mohd Halim	Date Raise:	19/12/2019			
Deadline for implementation						
Root Cause Analysis (by company):						
The internal audit team is not aware of the SOP to include root cause analysis in the assessment.						
Correction (by company):						
The management decided to include root cause analysis into the internal audit report for all the NC raised.						
Corrective / Preventive Action (by company)						
To maintain non-conformity report in analysis gap during internal audit.						
Review of Correction & Corrective / Preventive Action						

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Non Conformity Number < 1 >	
The non-compliance (NC) report review on the internal audit report identified root cause of nonconformities, correction, preventive action plan and closure of the findings are address. This will be sufficient to close out.	
Further review in the next audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Lead Auditor in Training: Mohd Nur Amin Bin Mohd Halim	Date of Closure: 06/01/2020
Review of Implementation	
Name of Lead Auditor / Auditor:	Date of Review:

Nr.	Indicator	Location	Opportunity for Improvement
1.	4.3.1.2	Office	SKSB could consider improving on the list for all laws applicable to operation in legal register.
2.	4.4.4.2 (b)	Office	SKSB could consider improving on risk assessment for HIRARC on welding set.
3.	4.4.4.2 (i)	Field	SKSB could consider improve the availability of first aid kit at each worksite.
4.	4.4.5.3	Office	SKSB could consider improving on information documented in the payslip.
5.	4.5.3.3	Workshop	SKSB could consider improving on storage of scheduled waste .
6.	4.5.6.3	Office	SKSB could consider improving on records of monitoring of wildlife sighted.

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5. CONCLUSION

Sri Kuli Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct certification audit for its Sri Kuli Sdn Bhd estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There is 1 Major NC raise and closed out successfully.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this surveillance audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-Part 3:2013.

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that:

Total certified number of estates:	1	
Total certified production area:	183.41	Ha
Certified FFBs January to November 2019:	1,835.67	Mt
Projected December 2019	147.83	Mt
Projected Jan to Dec 2020	1,600.00	Mt

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6. RECOMMENDATION

The audit team conduct a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used are interviews, observations, sampling of activities, review of documentation and records.

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policies and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

<input checked="" type="checkbox"/>	Recommended for Certification
<input type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 29/01/2020

Name Mohd Nur Amin Bin Mohd Halim
TUV NORD (Malaysia) Sdn Bhd
Trainee Audit Team Leader

Puchong, 29/01/2020

Nur Amanina Zahir
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1.	Mr. David Godwin Malin	Cadet Assistant Manager, Pertama Estate - Boustead Plantation Berhad
2.	Mr. Markuzhairi Marjuki	Staff, Pertama Estate - Boustead Plantation Berhad

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent to the certification body or bodies, the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex /
corresponding audit documentation

- ☒ P&C Audit Report / Checklists
- ☒ Audit Plan
- ☐ Additional annexes, number